REMARKS

Claims 2, 11-13, 54, 56-68, 70, 71, 73-81 and 83-87 are pending in this application. The Office Action is in error insofar as the Office Action Summary sheet and the recitation of status at page 2 both fail to reflect the cancellation of claims 69 and 82 and presentation of claim 86 in the Amendment filed on June 5, 2007.

Claim 87 is newly-presented (generally, the subject matter of claims 54 and 56 are set out with regard to system). Claims 55 and 72 have been cancelled (the subject matter now appears in claims 54 and 71, respectively, as well as in the other independent claims), and claims 2, 11-13, 54, 56-64, 67, 68, 71, 73-79, 84 and 86 have been amended. Claims 54, 71, 84, 86 and 87 are independent.

The Rejections Under
35 U.S.C. § 103

Claims 54-57, 59, 68, 69, 71-74, 82, 84 and 85 have been rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. patent no. 5,883,810 to Franklin et al. in view of U.S. patent no. 5,988,497 to Wallace. Applicant respectfully traverses this rejection, and submits the following arguments in support thereof.

First, it will be appreciated that the cancellation of claims 55, 69, 72 and 82 renders moot the corresponding portions of this rejection.

Claim 54 is directed to an electronic settlement system for effecting authentication through a communication network. This system includes a first terminal for the purchase of an item by a user thereof, the first terminal including an input unit for inputting authentication information of the user and connecting to the communication network, a second terminal, which is at least one of a cellular phone and a PDA, for charging the first terminal's

user a purchase amount, the second terminal being connected to the communication network, a database for storing authentication information of the user and a plurality of authentication methods, and a mediating server which performs the settlement of the authentication by mediating a communication between the first and second terminals one-to-one when receiving ID information from one of the first and second terminals so as to determine that the first and second terminals are participating in the same purchase. The mediating server sets at least one of the authentication methods selected by either one of the user of the first terminal and a clerk of the second terminal in accordance with the content of the authentication, the selected authentication method being processed between the first and second terminals that have been determined to be participating in the same purchase, wherein one of the mediating server and the second terminal authenticates the user by using the authentication information stored in the database. When receiving a request signal from one of the first and second terminals, the mediating server sets up and transmits the ID information to one of the first and second terminals which sent the request signal to the mediating server, and when receiving the same ID information from one of the second and first terminals, the mediating server mediates the communication with the first and second terminals. The request signal includes a unique ID of at least one of the first and second terminals.

As for claim 71, an apparatus for effecting authentication through a communication network with a first terminal including an input unit for inputting authentication information of a user and a second terminal, which is at least one of a cellular phone and a PDA, for charging the user a purchase amount, includes a first communication unit connected to the second terminal via a first communication network, a second communication unit connected to the first terminal via a second communication network, a database for storing the authentication

information of the user and a plurality of authentication methods, and a processing unit for performing the settlement of the authentication by mediating a communication between the first and second terminals one-to-one when one of the first and second communication units receives an ID information from one of the second and first terminals so as to determine that the second and first terminals are participating in the same purchase. The processing unit processes at least one of the authentication of the user or mediates the authentication of the user selected by either one of the user of the first terminal and a clerk of the second terminal in accordance with a content of the authentication, the selected authentication method being processed by the first and second terminals, by using the authentication information stored in the database. When one of the first and second communication units receives a request signal from one of the second and first terminals, the processing unit sets up the ID information and one of the first and second communication units transmits the ID information to one of the second and first terminals which sent the request signal, and when one of the first and second communication units receives the same ID information from one of the first and second terminals, the processing unit mediates the communication between the first and second terminals. The request signal includes a unique ID of at least one of the first and second terminals.

As for claim 84, that claim describes a recording medium which stores a program for a computer, communicating with a second terminal, which is at least one of a cellular phone and a PDA, performing billing of a authentication and with a first terminal performing paying of the authentication, and performs a settlement of the authentication. This program has a first communication module which prompts to communicate to the second terminal via a first communication network, a second communication module connected to the first terminal via a second communication network, a storage module for storing authentication information of a

user and a plurality of authentication methods, and a processing module which performs the settlement of the authentication by mediating a communication between the first and second terminals one-to-one when one of the first and second communication units receives ID information from one of the second and first terminals so as to determine that the second and first terminals are participating in the same purchase, wherein the processing module processes an authentication of the user or mediates the authentication of the user processed by the first and second terminals, by using the authentication information stored in the storage module in a manner selected by either one of the user of the first terminal and a clerk of the second terminal in accordance with a content of the authentication. When one of the first and second communication modules receives a request signal from one of the second and first terminals, the processing module sets up the ID information and one of the first and second communication modules transmits the ID information to one of the second and first terminals which sent the request signal, and when one of the first and second communication modules receives the same ID information from one of the first and second terminals, the processing module mediates the communication between the first and second terminals. The request signal includes a unique ID of at least one of the first and second communication modules.

By virtue of these claims, the security of transmissions between first and second terminals in transactions as recited can be improved, since the user always will keep his cellular phone or PDA, and ID theft during a cellular phone communication is typically very difficult.

Moreover, the present invention provides that a plurality of authentication methods are used. As a result, the benefits of all the different authentication methods can be realized.

Thus, this invention offers surprising, unexpected benefits.

Neither Franklin nor Wallace, whether taken alone or in combination, teaches the feature of synchronizing (mediating the communication) in the manner described in the claims.

In view of this, the claimed invention patentably distinguishes over Franklin and Wallace.

Claim 2 has been rejected under 35 U.S.C. § 103(a) as being unpatentable over Franklin and Wallace, and further in view of U.S. patent no. 6,038,549 to Davis et al. Applicant respectfully traverses this rejection, and submits the following arguments in support thereof.

Claim 2 depends from and so incorporates by reference all the features of claim 54, including those features which have just been shown to patentably distinguish over Franklin. This claim therefore patentably distinguishes over Franklin and Wallace at least for the same reasons as claim 54, which reasons are incorporated by reference herein.

Davis only is cited as suggesting a messaging system controller. Even assuming *arguendo* that this is correct, it remains that Davis does not have any teachings that remedy the above-noted deficiencies of Franklin and Wallace with regard to the present invention. So the claimed invention patentably distinguishes over the combination of Franklin, Wallace and Davis for at least the same reasons it avoids Franklin and Wallace.

Favorable reconsideration and withdrawal of this rejection are respectfully requested.

Claims 11-13 have been rejected under 35 U.S.C. § 103(a) as being unpatentable over Franklin and Wallace, in view of U.S. Patent No. 6,332,133 to Takayama. Applicant respectfully traverses this rejection, and submits the following arguments in support thereof.

Claims 11-13 all ultimately depend from and so incorporate by reference all the features of claim 71, including those features which have just been shown to patentably

distinguish over Franklin and Wallace. These claims therefore patentably distinguish over Franklin and Wallace at least for the same reasons as claim 71, which reasons are incorporated by reference herein.

Takayama only is cited as suggesting a purchase history, and therefore arguably using the purchase history in the alleged system resulting from Franklin and Wallace. Even assuming *arguendo* that is correct, it remains that Takayama fails to remedy the aforementioned shortcomings of Franklin and Wallace, and so the claims patentably distinguish over the combination of these references for the same reasons they avoid Franklin and Wallace alone.

Claims 11-13 patentably distinguish over the combination of Franklin, Wallace and Takayama. Favorable reconsideration and withdrawal of this rejection are respectfully requested.

Claims 61-63, 75, 77 and 78 have been rejected under 35 U.S.C. § 103(a) as being unpatentable over Franklin and Wallace, and further in view of *Electronic Payment Systems* to O'Mahony (again, it should be noted that only the cover, first two pages, and pages 62-63 of that reference were cited). Applicant respectfully traverses this rejection, and submits the following arguments in support thereof.

Claims 61-63, 75, 77 and 78 all ultimately depend from and so incorporate by reference all the features of claim 54 or 71, including those features which have just been shown to patentably distinguish over Franklin and Wallace. These claims therefore patentably distinguish over Franklin and Wallace at least for the same reasons as claims 54 and 71, which reasons are incorporated by reference herein.

O'Mahony only is cited as suggesting stepped authentication based on price. Even assuming *arguendo* that is correct, it remains that O'Mahony fails to remedy the

aforementioned shortcomings of Franklin and Wallace, and so the claims patentably distinguish over the combination of these references for the same reasons they avoid Franklin and Wallace alone.

Favorably reconsideration and withdrawal of this rejection are respectfully requested.

Claims 64-66 and 79-81 have been rejected under 35 U.S.C. § 103(a) as being unpatentable over Franklin and Wallace, and further in view of U.S. Patent No. 6,092,202 to Veil et al. Applicant respectfully traverses this rejection, and submits the following arguments in support thereof.

Claims 64-66 and 79-81 all ultimately depend from and so incorporate by reference all the features of claims 54 and 71, including those features which have just been shown to patentably distinguish over Franklin. These claims therefore patentably distinguish over Franklin and Wallace at least for the same reasons as claims 54 and 71, which reasons are incorporated by reference herein.

Veil only is cited as suggesting biometric authentication. Even assuming arguendo that this is correct, it remains that Veil does not remedy the above-noted deficiencies of Franklin and Wallace with regard to the present invention. So the claimed invention also patentably distinguishes over the combination of Franklin, Wallace and Veil for at least the same reasons it avoids Franklin and Wallace alone.

For all the foregoing reasons, favorable reconsideration and withdrawal of this rejection are respectfully requested.

CONCLUSION

Applicant respectfully submits that all outstanding rejections have been addressed and are now overcome. Applicant further submits that all claims pending in this application are patentable over the prior art.

Other than the additional claim and filing fees respectively authorized in the accompanying Fee Transmittal and Request for Continued Examination forms, no fees are believed to be due in connection with the filing of this paper. Nevertheless, should the Commissioner deem any other fee(s) to be now or hereafter due in connection with this application, authority is given to charge all such fees to Deposit Account No. 19-4709.

Favorable consideration and prompt allowance of this application is respectfully requested. In the event that there are any questions, or should additional information be required, please contact Applicant's attorney at the number listed below.

Respectfully submitted,

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